

## Message Text

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TAGS: ENRG, FR.

SUBJECT: U.S. COMMENTS ON THE PRELIMINARY TEST GUIDE FOR  
THE SPRING 1978 ALLOCATION SYSTEMS TEST (IEA/WP(77)7

1. THE FOLLOWING U.S. COMMENTS SHOULD BE TRANSMITTED TO  
THE IEA/SECRETARIAT (KOENIG):

QUOTE AS AGREED AT THE DECEMBER 13, 1977 MEETING OF THE  
STANDING GROUP ON EMERGENCY QUESTIONS, WE HEREBY TRANSMIT  
COMMENTS BY THE UNITED STATES GOVERNMENT ON THE PRELIMINARY  
TEST GUIDE FOR THE SPRING 1978 ALLOCATION SYSTEMS TEST  
(AST-2) -- IEA/WP(77)7.

WE HAVE COMMENTS ON FIVE MAIN AREAS:

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-- "FAIR SHARING";  
-- THE RESPONSIBILITIES OF THE SEQ EMERGENCY GROUP;  
-- THE INCLUSION OF REFERENCES TO NATIONAL ALLOCATION  
PROGRAMS;  
-- CHANGES IN DESCRIPTION OF ROLE OF NESOS; AND  
-- MASKING OF DATA.

IN ADDITION, WE HAVE INCLUDED A FEW SOMEWHAT MORE

DETAILED COMMENTS.

"FAIR SHARING"

SINCE "FAIR SHARING" WILL BE ASSUMED TO EXIST IN ALL COUNTRIES, IT WILL NOT BE TESTED IN A TRUE SENSE. WE THEREFORE RECOMMEND THAT THE SENTENCE ON PAGE 2 WHICH

INDICATES THAT "FAIR SHARING" WILL BE TESTED, BE DELETED.

SEQ EMERGENCY GROUP

OUR SECOND AREA OF COMMENT CONCERNS THE ROLE OF THE SEQ EMERGENCY GROUP, THE FUNCTIONS IT WILL PERFORM AND THE DATA WHICH MUST BE MADE AVAILABLE TO IT TO PERFORM THESE FUNCTIONS. REFERENCE IS MADE TO THE FOLLOWING:

-- IEP ARTICLE 19, WHICH PROVIDES THAT, AFTER THE SECRETARIAT MAKES A FINDING OF AN EMERGENCY, IT SHALL REPORT ITS FINDING TO THE MANAGEMENT COMMITTEE WHICH IN TURN QUOTE...SHALL MEET TO REVIEW THE ACCURACY OF THE DATA COMPILED AND THE INFORMATION PROVIDED (AND) SHALL REPORT TO THE GOVERNING BOARD....UNQUOTE

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-- THE EMERGENCY MANAGEMENT MANUAL, PAGE A-I-2, WHICH PROVIDES THAT THE SEQ EMERGENCY GROUP IS THE QUOTE BODY RESPONSIBLE TO ENSURE INTERGOVERNMENTAL AGREEMENT AND/OR CONSENSUS AS REGARDS DECISIONS TAKEN IN THE IMPLEMENTATION OF THE AGREEMENT DURING AN EMERGENCY UNQUOTE; AND

-- THE PRELIMINARY TEST GUIDE, PAGES 10-11, WHICH PROVIDES THAT THE SEQ EMERGENCY GROUP QUOTE WILL BE CONVENED DURING THE TEST TO PROVIDE A FORUM FOR DISCUSSIONS AMONG REPRESENTATIVES OF PARTICIPATING COUNTRIES ON THE PROGRESS OF THE TEST, UNQUOTE AND QUOTE...WILL RECEIVE, DURING EACH CYCLE, A SUMMARY STATEMENT OF THE CALCULATIONS OF COUNTRIES' SUPPLY RIGHTS, ALLOCATION RIGHTS AND OBLIGATIONS MADE BY THE SECRETARIAT AFTER RECEIPT OF QUESTIONNAIRES A AND B. UNQUOTE

THE U.S. GOVERNMENT INTERPRETS THESE THREE PROVISIONS, READ COLLECTIVELY, TO MEAN THAT ONE OF THE RESPONSIBILITIES OF THE SEQ EMERGENCY GROUP DURING THE TEST WILL BE TO REVIEW THE CALCULATIONS OF SUPPLY RIGHTS, ALLOCATION RIGHTS AND OBLIGATIONS OF EACH PARTICIPATING COUNTRY

AS MADE BY THE SECRETARIAT TO ENSURE THAT SUCH CALCULATIONS  
ARE IN CONFORMITY WITH THE PRINCIPLES SET FORTH IN THE  
IEP. TO PROVIDE EACH PARTICIPATING COUNTRY REPRESENTATIVE

ON THE SEQ EMERGENCY GROUP WITH THE INFORMATION NECESSARY  
TO CONDUCT THIS REVIEW EFFECTIVELY, THE U.S. GOVERNMENT  
BELIEVES THAT EACH REPRESENTATIVE SHOULD BE GIVEN THE  
FOLLOWING INFORMATION FOR EACH PARTICIPATING COUNTRY BY  
THE SECRETARIAT AS PROVIDED AND/OR AGREED TO BY THAT  
COUNTRY FOR TEST PURPOSES:

-- ITS BASE PERIOD FINAL CONSUMPTION (IIIQ76-IIQ77);  
-- ITS AVERAGE DAILY NET IMPORTS OR EXPORTS FOR THE  
PERIOD AGAINST WHICH EMERGENCY RESERVE OBLIGATIONS ARE  
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MEASURED;  
-- ITS AVERAGE DAILY OIL PRODUCTION DURING THE EMERGENCY  
PERIOD;  
-- ANY OTHER INFORMATION USED BY THE SECRETARIAT IN ITS  
CALCULATIONS OF ALLOCATION RIGHTS AND OBLIGATIONS AND NOT  
CONTAINED IN THE DISRUPTION TELEX.

THE TOP OF PAGE 11 SHOULD BE MODIFIED TO REFLECT THE FACT  
THAT THIS INFORMATION WILL BE MADE AVAILABLE BY INSERTING  
THE UNDERLINED LANGUAGE: "...QUESTIONNAIRES A AND B.  
IN ADDITION, THE SEQ EMERGENCY GROUP WILL RECEIVE THE  
DATA AND INFORMATION, IN SUMMARY FORM FOR EACH COUNTRY,  
USED BY THE SECRETARIAT TO MAKE THESE CALCULATIONS.  
AT THE END...."

NATIONAL ALLOCATION PROGRAMS

THE U.S. GOVERNMENT DOES NOT BELIEVE THAT IT IS EITHER  
USEFUL OR NECESSARY TO IDENTIFY THE REQUIREMENTS OF  
INDIVIDUAL NATIONAL ALLOCATION OR SIMILAR PROGRAMS. THE  
IMPLICATIONS OF THESE PROGRAMS FOR THE CONDUCT OF THE  
TEST CAN AND SHOULD BE WORKED OUT BETWEEN THE REPORTING  
COMPANIES AND NESOS INVOLVED. PARAGRAPH (C) ON PAGE 33  
SHOULD THEREFORE BE DELETED.

NESOS

SINCE SOME NESOS MAY HAVE INDUSTRY PARTICIPANTS, THE TEST  
GUIDE SHOULD MAKE CLEAR THAT FOR PURPOSES OF THE TEST  
ITSELF, IT IS NOT NECESSARY FOR NESOS TO HAVE ACTUAL  
QUESTIONNAIRE A DATA, BUT RATHER IS SUFFICIENT THAT THEY  
HAVE THE SAME TYPE OF DISRUPTED DATA WHICH WILL BE SUB-  
MITTED TO THE ISAG. ACCORDINGLY, IT IS RECOMMENDED THAT  
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ON PAGE 20 THE FOLLOWING SENTENCE BE ADDED AT THE END OF SUBPARAGRAPH (C): QUOTE WITH SOME MINOR EXCEPTIONS, ACTUAL DATA (I.E., PRIOR TO DISRUPTION ADJUSTMENTS) WOULD NOT BE COLLECTED BY NESOS FOR PURPOSES OF THE TEST. UNQUOTE.

THE TEST GUIDE SHOULD ALSO MAKE IT CLEAR THAT SENSITIVE DATA WHICH IS ACQUIRED BY NESOS IN CONNECTION WITH INTERNAL ALLOCATION ISSUES WOULD NOT BE MADE AVAILABLE TO ISAG. ACCORDINGLY, WE SUGGEST THE ADDITION OF THE FOLLOWING SENTENCE AT THE END OF PARAGRAPH 6 ON PAGE 28: QUOTE IN ADDITION, IT SHOULD BE NOTED THAT THE COMPANY SPECIFIC/SENSITIVE DATA ACQUIRED BY THE NESOS WITH RESPECT TO INTERNAL ALLOCATION WOULD NOT BE CONVEYED DIRECTLY OR INDIRECTLY TO ISAG MEMBERS. UNQUOTE.

WE NOTE THAT THE TEST GUIDE DOES NOT INCLUDE ANY PROCEDURE FOR THE SUBMISSION OF VOLUNTARY OFFERS TO NESOS. WITH RESPECT TO THE U.S., THE REALLOCATION OF OIL IN PHASE II COULD OBVIOUSLY IMPACT ON THE VIABILITY OF THE U.S. INTERNAL ALLOCATION PLAN. ACCORDINGLY, U.S. POLICY IS THAT REPORTING COMPANIES NOTIFY THE U.S. NESO AS WELL AS ISAG OF VOLUNTARY OFFERS. IF THE U.S. NESO, AFTER REVIEWING THE VOLUNTARY OFFER, BELIEVES THAT IT COULD SUBSTANTIALLY IMPAIR THE U.S. ALLOCATION SCHEME, THE U.S. NESO WOULD CONSULT WITH THE IEA REGARDING POSSIBLE ALTERNATIVES. WE SUGGEST THAT PAGE 35 OF THE TEST GUIDE BE CHANGED TO REFLECT THIS.

MASKING OF DATA

THE U.S. GOVERNMENT HAS INDICATED IN THE PAST ITS PREFERENCE THAT THE MASKING OF DATA SHOULD BE AN OPTION AVAILABLE TO COMPANIES AT THEIR INITIATIVE OR REQUEST. ACCORDINGLY, THE REFERENCES ON PAGES 26 AND 28 OF THE TEST GUIDE TO THE FACT THAT MASKING WOULD BE DONE ONLY LIMITED OFFICIAL USE

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QUOTE IN EXCEPTIONAL CASES UNQUOTE, SHOULD BE DELETED.

DETAILED COMMENTS

THE FOLLOWING ARE SOMEWHAT MORE DETAILED COMMENTS ON THE PRELIMINARY TEST GUIDE, DESIGNED IN GENERAL TO CLARIFY CERTAIN WORDING WHICH MAY NOT BE AS CLEARLY STATED AS

POSSIBLE.

(1) PAGE 4, SECTION B, SECOND PARAGRAPH. ADD QUOTE AND DISTRIBUTED TO THE ISAG UNQUOTE FOLLOWING QUOTE REPORTING COMPANIES UNQUOTE.

(2) PAGE 6, QUOTE NESO UNQUOTE COLUMN CORRESPONDING TO 4/10, 5/1, 5/22. WE HAVE RECEIVED A TELEX FROM THE SECRETARIAT REQUESTING SUBMISSION OF QUESTIONNAIRE B ON 4/7 VICE 4/10 AS SHOWN HERE. THIS WILL BE IMPOSSIBLE SINCE QUESTIONNAIRE A'S WILL PROBABLY NOT BE RECEIVED

UNTIL THE SAME DAY (4/7).

(3) PAGE 6, QUOTE REPORTING COMPANIES UNQUOTE COLUMN CORRESPONDING TO 4/5 AND 4/6. QUESTIONNAIRE A SHOULD BE SUBMITTED TO SECRETARIAT, AFFILIATES, AND NESOS.

(4) PAGE 7, QUOTE NESO UNQUOTE COLUMN CORRESPONDING TO 4/17. ADD QUOTE IF AVAILABLE UNQUOTE TO END OF SENTENCE TO REFLECT ITEM (I) ON PAGE 21.

(5) PAGE 10, LINE 2. PRESUMABLY THE REFERENCE TO THE QUOTE ALLOCATION COORDINATOR UNQUOTE MEANS QUOTE TEST ALLOCATION COORDINATOR UNQUOTE.

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(6) PAGE 14, ITEM (B). ADD A SENTENCE TO INDICATE THAT TASK FORCE II WILL BE THE RECIPIENT OF PHASE 2 NON-REPORTING COMPANY OFFERS PROVIDED BY NESOS.

(7) PAGE 25, SECTION 2, LAST PARAGRAPH. CLARIFY SENTENCE BEGINNING WITH QUOTE ADDITIONALLY, SINCE...AVAILABLE UNQUOTE.

(8) PAGE 35, ITEM C. AT THE BEGINNING OF THE THIRD SENTENCE ADD QUOTE FOR PART CARGOES....UNQUOTE.

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## Message Attributes

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